

## An analysis of the trends, dynamics & insights of rural markets in India and exploit them to their best advantage

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### Abstract

*The paper describes the challenges and strategies of rural marketing in India. The rural market in Indian economy can be classified under two broad categories. These are the market now for consumer goods that comprise of both durable and non-durable goods and services of the market. Rural marketing consists of around 833 million potential consumers, and majority of the Indian middle-class, and about half the country's disposable income. The marketer must understand the growing complexities of the rural market and making strategy for the proper mixing of marketing mix. However, it is not that easy to operate in rural market because of several problems such as underdeveloped people and underdeveloped markets, Inadequate Media coverage for rural communication, Multi language and Dialects, Traditional Values, Lack of proper physical communication facilities. Hence, it is proposed to undertake in this study to assess the various dimension of Indian rural markets. The main aim of this study is to observe the potentiality of Indian Rural Markets and finding out various problems are being faced by rural markets. This paper attempts to look into the challenges and opportunities of Indian rural marketing by adopting SWOT analysis matrix on rural markets.*

**Keyword: Marketing Mix, Rural Market, Rural Communication, SWOT Analysis"**

### INTRODUCTION

Rural marketing involves addressing over 700 million potential consumers and over 40 per cent of the Indian middle income. No wonder, the rural markets have been a vital source of growth for most companies. For a number of PMCG companies is the country, more than half their annual sales come from the rural market.

### Rural Marketing Potential in India

While we all accept that the heart of India lives in its villages and the Indian rural market with its vast size

and demand base offers great opportunities to marketers, we tend to conclude that the purse does not stay with them. Rural marketing involves addressing over 700 million potential consumers and over 40 per cent of the Indian middle income. No wonder, the rural markets have been a vital source of growth for most companies. For a number of FMCG companies is the country, more than half their annual sales come from the rural market.

Among various media of communication, television and radio have played prominent roles in the rural India today. In the South, the penetration of satellite television is very high. Due to globalisation, economic liberalisation, IT revolution, female power, and improving infrastructure, middle and rural India today has more disposable income than urban India.

Rural marketing is getting new heights in addition to rural advertising. Rural marketing gives challenge to ensure availability of product or service in India's 6, 27000 villages spread over 3.2 million square kilometres. Marketers have to locate over 700 million rural Indian and finding them is not easy.

The size of the rural market is one that companies cannot afford to ignore, particular, as the number of simple lining in non-metro areas increased by 10 % over the past decade. Thus, looking at the challenges and opportunities, which rural markets offer to the marketers, it can be said that the future is very promising for these who can understand the dynamics of rural markets and export them to their best advantage.

Rural marketing is currently growing at about 20% every year and companies are spending amount Rs. 600 crore per years for promotional budget.

### Nature and Importance

In the 21st century, the rural markets have acquired significance. The green revolution and the white revolution combined with the overall growth of Indian economy have resulted into substantial increase in the

purchasing power of the rural communities. Rural marketing denotes flow of goods and services from rural producers to urban consumers at possible time with reasonable prices, and agricultural inputs and consumer goods from urban to rural.

It is of paramount importance in the Indian marketing environment as rural and urban markets in India are so diverse in nature that urban marketing programmes just cannot be successfully extended to the rural market differs from that of the urban Indian. Further the values aspiration and needs of the rural people hasty differ from that of the urban population.

Buying decisions are highly influenced by social customer's tradition and beliefs in the rural communities. As regards the purchasing power, the urban markets are segmented according to income levels, but in rural areas, the family incomes are grossly underestimated.

Farmers and rural artisans are paid in cash as well in kind, and they misrepresent their purchasing power. For their reason, a marketer must therefore, make an attempt to understand the rural consumer better before meaning any marketing plans.

### **Scope of Services in Rural Market**

Rural markets in India have untapped potential. There are several difficulties confronting the effort to fully explore the rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non-availability of retail output are major problems faced by marketers.

Many successful brands have shown high note of failure in the rural markets because the marketers try to extend marketing plans that they use in urban areas. The unique consumption pattern, tastes, and need of the rural consumers should be analysed at the product planning stage so that they match the needs of the rural people.

The rural market in India is a huge unorganized market as well as much of it is still untapped in various domains. A huge scope for services exists in these markets where still major companies have directed their focus on. Since major of Indian population exists in rural segment, prospects of huge demand exists for the products offered by various companies or service

providers. But the demand and supply pattern in the rural segment is majorly different than those in the urban segment.

This difference is due to vast difference in:

- Income level
- Expenditure capacity
- Taste and preferences
- Educational level
- Social, Cultural and environmental

These differences results in Gaps between Service provider and the consumers/customers in both the market segments. Hence a service provider clearly needs to understand these gaps and the strategies to fill these gaps effectively. Therefore the mantra for successful strategy implementation in rural markets for service delivery is "Think Global Act Local".

Analysis of Services Requirements in Rural Markets:  
Following Service areas have great potential in rural markets:

#### *1. Agricultural consultancy:*

Rural customers require proper consultancy services about the best methods, timings and seasons, technology, tools, prices and best markets for selling their farming products.

#### *2. Banking, microfinance and loan facilities:*

The rural market has huge potential for banking services for providing following facilities at affordable prices:

- Agricultural loans
- Educational loans
- Housing loans
- Savings accounts and safe deposits
- Automobile loans
- Personal loans

#### *3. Healthcare:*

There is a huge demand for medical and health facilities in rural markets as there is large population in India that resides in rural areas and lack proper facilities for proper health care. The availability and location of these services is of great concern as most of the areas either do not have any or many rural and remote areas needs to be dependent on very few and distantly located Hospitals.

#### *4. Telecomm services:*

Due to increased awareness and improved telecomm infrastructure across India, the demand for telecomm (Fixed and wireless) and internet services have increased drastically. Even the government's policies for reduced tariffs, call rates, lesser mobile handset prices and private participation involvement has helped in increasing the level of competition, continuous improvement in technology and thus has resulted in the growth of the rural telecomm market. Hence the rural market has now become attractive and lucrative for many National and Global telecomm companies, who now are focusing more on this huge untapped market.

#### *5. Automobiles Services:*

There has been a huge increase in the number of two wheeler, four wheeler and Agricultural tools and vehicles in past few decades because of reduction in prices and government support to the rural population. This has given rise to a new business for providing maintenance and repair services to these vehicles with more attractive service quality, location and availability. This segment has huge potential in the upcoming trends of services to the rural markets.

#### *6. T.V. Channels Services:*

Due to the increased awareness, arenas of interest, leisure requirements, and number of entertainment options like televisions and computers due to reduced & affordable prices, the demand for entertainment services like T.V. entertainment channels have increased. This provides a huge potential for cable and Direct to Home services providers to tap the rural markets to meet their demands. Many companies have already gained profits by targeting rural markets which include Airtel (DISH TV), Reliance (BIG TV), and Tata (SKY).

#### *7. Travel and reservation Services:*

The travel and reservation booking and organizing services for booking train, busses, taxis and tour consultancy has also been observed to create a huge demand in last few decades as more and more rural population need to mobilize for business and personal needs. Hence these services hold a huge potential for service providers.

#### *8. Low Cost Hotels:*

Due to increased mobilization because of business and personal needs, there is also increased demand for hotel and lodging services to the travellers but majorly driven by the pricing of such services and facilities.

Hence provide a great platform for the service providers to focus on these demands to capture a big untapped market.

#### *9. Event Managements:*

The rural population are majorly involved in celebrating and organizing festivals, which require lightning arrangements, venue decoration, food, lodging, transportation, catering and event planning etc. for:

i. Family gatherings, marriages, engagements, birthday parties, etc.

ii. Festivals like Diwali, Onam, Christmas, Lorhi, Eid, Dushera, Kannada Rajamahotsava, Navratri, Garba and Dandia mahotsava etc.

iii. Religious/Caste based events like poojas, various ceremonies, etc.

Hence these services also have great potential to meet the rural customer's demand for even management.

#### *10. Beauty Parlours:*

As there has been major improvement in the quality of life style and increased awareness among the rural customers (especially females), there has been great demand observed for beauty products and services. A huge increase in the demand for FMCG products like shampoos, beauty soaps, beauty creams, cosmetics, etc. has also been observed lately in rural India. This market is still dominated by unorganized and local players who lack adequate tools, methods, skills, process, technology and beauty products to meet the demand of rural population. Hence focusing on this segment would be a profitable business for any company.

#### *11. Affordable Movie theatres:*

Till now the entertainment service providers for movie theatres at affordable prices in rural markets are dominated by local and unorganized players who lack proper facilities and infrastructure as well as quality delivered. Focusing on this market is a good profitable business

#### *12. Educational and Career consultancy:*

The rural markets lack adequate and quality educational services which are majorly catered by government agencies and bodies. But due to lack of proper infrastructure, expertise, knowledge, talent, funds and participation of the service provider, this sector is unable to meet the desired level of service expectation of the rural customer for career building. Hence there a great business opportunity for any

company if it is able to fill this gap effectively and would also be imparting its social responsibility to the growth of the society and country.

With all the above mentioned arenas for Services in rural markets, there is a huge demand and growth opportunities that exists to be exploited by the companies which can make best market expansion and profitability by investing in Rural India.

## **7 P's analysis of Rural and Urban Marketing**

The most potential among all the above described services is the Rural Banking Service. Let's us examine this sector on the basis of difference between Rural and Urban markets on the grounds of 7 P's of Marketing.

### *1. Product:*

The Products (Services) provided to Rural customers differ from that of urban customers as rural segment have more demand for agricultural loans, lower limits for savings accounts, microfinance, lower amount of loans for education, automobiles, small & medium scale industry and personal loans. The duration for these loans, schemes and capacity also differs from that of urban customers.

### *2. Price:*

The price of these services as expected by the rural customer is lesser as compared to urban customer due to the fact that income level as well as savings pattern of the rural customer are lesser. The risk appetite and affordability is also a matter of concern for the rural markets as they are lesser as compared to urban markets.

### *3. Place:*

The place of availability is of very intense concern in rural markets due to lack of adequate and proper transportation facilities in rural India. The rural customers face major problems with the availability of service location in vicinity and thus are reluctant to derive benefits due to lack of travel support.

### *4. Promotions:*

The promotional strategies in rural marketing needs to be more personalized and simple as compared to the urban markets which needs to reach more remote areas as rural markets lack more in means of communications and technology. The promotional tools also need to be customized according to the regional languages so that it clearly states the service details and benefits.

### *5. Physical evidence:*

The physical evidence provided to the rural segment differ from that of the urban markets as they need to be more simple, colourful, artistic and personalized as most of the rural customers lack adequate education or low educational background and thus need to be clearly explained about the features and benefits of the services thus provided.

### *6. People:*

The people and staff appointed for the service delivery for rural banking services needs to be properly selected, recruited and trained to properly understand the rural customer's needs and requirements. They need to be made well aware of the regional, cultural, social, economic and technological needs of the customers. The employee involvement in the service delivery to the service (banking) sector is more in rural markets than urban markets as the employees need to constantly educate and assist the customers about the service process, price, product and simultaneously communicate the benefits as well as the precautions and risks involved with the services being offered.

### *7. Process:*

The process of rural banking differs from that of urban banking sector as it needs to be more simple and thus less documentation involved and more customized as per the economic capacity of the customers. The process of banking in rural markets is observed to be more affected by the Government policies and rural customer psychology driven. Hence the process needs to be more frequently reviewed and flexible to accommodate the changes due to these factors. The process also need to be timely revived and revised to remove any complexity arising due to inclusion of new economic policies and changing demand & supply patterns

## **Main Problems in Rural Marketing**

### *1. Under-developed people and underdeveloped markets:*

The impact of agricultural technology is not felt uniformly throughout the country. Some districts in Punjab, Haryana and the Western U.P. where the rural consumers are somewhat comparable to their urban counter part; but there are large areas and grown of people who have repaired beyond the technological breakthrough. In addition, the farmers with small agricultural land holding are also unable to take advantage of the new technology.



**2. Lack of power physical communication facilities:**

Nearly 50 % of the villages in India do not have all weather roads; physical communication to the villages is highly expensive. Especially during the monsoon 4 months these villages become complete inaccessible.

**3. Inadequate media coverage for rural-communication:**

A large number of rural families own radio and TV sets, there are also community radio and TV sets. These have been used to diffuse agricultural technology to rural areas. However, the coverage relating to marketing is inadequate.

**4. Many languages and dialects:**

The number of languages and dialects vary from state to state and region to region. This type of distribution of population warrants appropriate strategies decide the extent of coverage of rural market.

**5. Other problems of rural marketing are natural Calamities:**

Of draught or examine rain, epidemics, primitive methods of cultivation, lack of printer storage facilities, transportation problem and inadequate market intelligence, including long chain of intermediaries between cultivator and farmer and wholesaler and retailers.

There are also problems of extending marketing efforts to small villages with 200-500 population. Vast cultural diversity, vastly varying rural demographics, poor infrastructure, low income levels and low levels of literacy often tend to lower the presence of large companies in the rural markets.

**AIM OF RESEARCH**

Main purpose of this research paper is to find out the various strategies adopted by industries/ sector to trap the rural area of the country.

**Research objectives**

- 1) To analysis the rural market opportunities of India.
- 2) To study industrial wise strategy for rural market.
- 3) To study about the gap between rural and urban and strategies adopt by industries to fill the gap.

Sample Size : 115

In this paper author collect primary and secondary data both from sector like banking, telecommunication, FMCG from different sources.

**LITERATURE REVIEW**

There are many studies carried out in India in connection with rural marketing, which have revealed a major setback of temperamental attitude of underrating a potential source like rural marketing. These studies have thrown light on the rural marketing pros and cons, and its dimensions in various manners.

Patel Ms., Suchi K, in her research paper she was studied about the challenges and marketing of FMCG, Durable, and Two wheeler sector. She had concluded that there are vast opportunities for the industry in rural market if the companies understand the changing dynamic of rural market and adopt the competitive advantages strategy.

Lakshmi Priya and Bajpai Vandana stated that the objectives of rural management is to organize, develop and utilize the available at optimal level to proper utilization and productivity of resources, in such a manner that the entire rural population may be benefited by it and increase the production and consumption to increase Indian economy. Rural management also helps to enhance living standard rural people. Since independence, the Government has initiated certain plans for the betterment of rural people.

Gulati Nancy, Swati was worked on the strategies adopted by companies in rural marketing. They stated that rural marketing helps in the development of economy. It built the cost of living of the rural people and also effort in order to provide the basic facilities to rural consumers is the need of the hour. Indian rural marketing system should be made much more competitive by infusing competition within the country and preventing the external system equation from interfering with the local markets in the larger interests of the nation.

Rafiuddin Md et al. stated that middle age group purchase more in rural areas and purchase decision is depend on self as well as spouse. The rural people are brand conscious as well as prices, new product introduction is tough in rural market because the consumer are stick to their basic product.

Ahmed Dr. Ashfaq studied in his research paper that rural marketing is developing concept and it has un-trapped market potential. Companies needed to developed the infrastructure facilities and other basis needs to explore the market. The product are segmented by demographic, geographic, socially to reach each customers. The companies need to target group of people's, SHG's as the consumption patter are same.

Y. Krishan Mohan Reddy focussed on challenges faced by the marketers and opportunities available to them. These studies on related problems are useful or indicate the type of difficulties and possible analytical shortcomings and suggest new line of approach to present and study the problem in new context.

### **RURAL MARKETING STRATEGY**

Rural marketing strategy is based on their A's-Availability Affordability and Acceptability. The first 'A'-Availability emphasises on the availability of the product for the customers, i.e., this gives importance on effective distribution through efficient channels of distribution.

The second 'A'- Affordability which focuses on product pricing, i.e. this gives importance for smaller packages/pouches easily affordable by families in the rural areas, The third 'A' – Acceptability focuses on convincing the customers to buy the product, i.e., extending suitable promotional efforts to influence the customers to buy the product. Marketers need to understand the psycho of the rural consumers and then act accordingly.

Rural marketing involves more intensive personal selling efforts compared to urban marketing. Firms should refrain from pushing goods designed for urban markets to the rural areas. To effectively tap the rural market a brand must associate it with the same things the rural consumers do.

This can be done by utilizing the various rural folk media to reach them in their own language and in large number so that the brand can be associated with the myriad rituals, celebration, festivals, melas, fairs and weekly hats.

### **RURAL DISTRIBUTION STRATEGY**

One of the ways would be using company delivery mass, which can serve two purposes; it can take the

products to the customers in every hook and corner of the market and it also enables the firm to establish direct contact with them and thereby facilitate sales promotion.

However, only the large manufactures can adopt this channel. The companies with relatively fewer resources can go in for the syndicated distribution where a tie-up between non-competitive marketers can be established to facilitate distribution.

#### *Back-haul method for the distribution vehicles:*

Organizing a suitable back-haul method for distribution vehicles may prove to be an economic to transport the "urban goods" like soap, detergent, oil, cream, shampoo, tooth paste, and other daily necessary items for the rural consumers and in the return journey, the energy verticals will transport the fruit and vegetables etc. from rural areas to the nearest towns and cities for distribution among the urban consumers.

Rural markets have the practice of faxing specific days in a week as weekly market days, i.e., "Haats" when exchange of goods and services are carried out. This is another potential low cost distribution channel available for the marketers.

#### *The other distribution strategies for the rural population are as under:*

1. The general insurance companies may promote their policies of health insurance, crop insurance and vehicle insurance through the existing co-operatives.
2. Marketers may arrange more number of wave-houses for storage and re-packaging into smaller pouches for which employing local villages will work profitable and popular.
3. All communication in the rural areas must be in the regional language and dialects.
4. Markets need to develop innovative packaging technology which would be economic, protective and improve shelf-life of goods.
5. In addition to focusing on targeted promotions and advertising, there is an urgent need to work on economical packaging, dual pricing and special size of PMCQ and household products.

6. Marketers need to place emphasis on retailers directly rather than depending on the wholesalers for distribution in the rural market as this has not proved to be very effective marketing channel.

7. Marketers targeting the rural market should be well aware about the seasonality of the business. Because the trade is seasonal, employment and disposable income can fluctuate arrange the villages during the year. This means that business should view market research data that relies on yearly aggregate statistics with caution.

8. Marketers must trade off the distribution cost with incremental market penetration.

**Table 1: SWOT analysis of rural market of India**

Strength	Weakness
Large Indian Rural Population.	Lack of good Infrastructure.
Good Government Support.	Lack of physical distribution network.
Availability of Products and Raw material.	Low consumption level.
	Less Research and development activities.
Opportunities	Threat
Growing Income Levels of Rural Consumers.	Customization of Products according to rural consumer demographics.
Growing Literacy Levels.	Strengthening of supply chain system with government support and infrastructure.
Growing quality consciousness.	
Changing Socio-economic scenario.	Launching of branded products in rural markets due to increasing literacy rate and brand awareness.

## RURAL MARKETING PRACTICES- INDUSTRY WISE

### Telecommunication

#### 1. Promotion

Rural product marketing is emerging as an interesting challenge both for the advertisement fraternity as well as for global organizations commissioning such campaigns. Current promotions of rural products continue to fall back on traditional mass media practices of making use of the broadcast media and

using celebrity endorsements. These methods enjoy intermediate success.

1. Mass media campaigns though commonly used, often remain untargeted and do not reach the widest segment of the rural population due to challenges of low literacy, remoteness and low population density across the rural landscape.

2. Celebrity endorsements are an equally prominent marketing strategy for telecom products and services. These endorsements are most effective with the youth segment but for rural marketing purposes, such endorsements will need to be done more succinctly than just tapping in a celebrity's star status. An informational approach is more resonant with rural and low income consumers as they need product information to make the right decision. Regionalization and localization of campaigns also help target consumers associate with the product.

3. In order to truly cater to the remotest of consumers, we also observe the emergence of various innovative last mile marketing strategies. Organized small train group of people who play (drama) on village street to aware customers about the product.

#### 2. Placement

Product placement in rural Asia emerges as a substantial difficulty due to the widely disseminated nature of rural living. Lack of basic infrastructure like transport, electricity and roads further heighten such difficulty levels. Most rural marketing enterprises find it difficult to find their target consumers, market to them or even place their products due to difficulties in setting up a distribution channel. Setting up retail points in rural areas amount to heavy investments and private companies often refrain from making such investments due to low returns from these areas.

1. In areas where there are not enough such retail chains, the product has to be placed using innovative retail points which can be small portable kiosks or booths.

2. The sales networks of service providers like banking and insurance are also effective placement points. Financial sales networks operate through trained personnel who educate and inform the rural consumers about their service offerings.

3. Rural agencies like post offices, electricity supply divisions and educational institutions all have existing infrastructure in rural areas. Electricity of Vietnam Telecom (EVN) and Vietnam Posts and Telecommunications Group (VNPT) use the distribution outlets of their parent companies as sales channels for their telecom products.

### 3. Position

A successful rural marketing strategy would also involve widespread and well-timed presence in rural lifecycle events and occasions. Presence in large village congregations like fairs and weddings help a brand gain visibility amongst a large segment of the rural population in a single place. Involvement in village 'panchayat' (governance) and counselling services is an important indicator of the company's intention to make its rural presence a continuous and long term relationship. Sponsoring and / or organizing sports activities and other rural events also help in establishing the brand as integral to rural lifestyle. Thus in terms of positioning, it is important to identify mass congregation occasions in rural areas, use rural market days as the best opportunity for regular product marketing and participate in rural social occasions in order to show your support for the community while benefitting from mass presence.

### 4. Price

Rural telecom pricing also stands to benefit from any lowering of the initial barriers to entry. Rural consumers living on a day-to-day basis, have no disposable income to pay for the repeated costs of handsets, sim charges and other ancillary expenses. These up-front costs are substantially high and any means that can reduce this first cost will benefit rural consumers.

## Rural Marketing Strategies By Banking Sector

The biggest challenge for next decade or more to banks in the country is to capture the banking business of over 50% population of this country of over 120 billion people. In this paper we will discuss challenges facing Indian Rural Banking, i.e. Priority Sector Lending, Regional Rural Banks, Financial Inclusion, Financial Literacy and Education.

**A. Priority Sector Lending:** These are small loans to small and marginal farmers for agriculture and allied activities, loans to Micro and Small Enterprises, loans for small housing projects, education loans and other

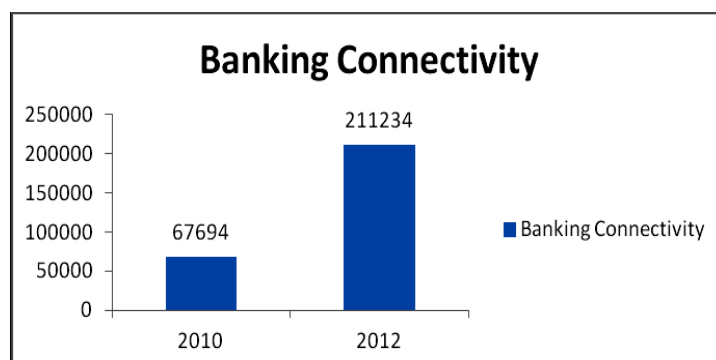
small loans to people with low income levels. The major challenge is to bring all farmers into the institutional credit framework. To boost the credit to agriculture sector, apart from a host of initiatives, the Kisan Credit Card (KCC) Scheme was introduced in the year 1998-99 to enable farmers to purchase agricultural inputs and draw cash for their production needs. Rural untapped market offers a big business opportunity to the banks. Banks need to innovate new products which cater to the needs of farmers, weaker sections and other vulnerable sections of the society, develop new delivery channels and embrace technological developments which will reduce the delivery costs. Priority sector must be treated as a viable business proposition.

### B. Regional Rural Banks:

Regional Rural Banks (RRBs) were established in the year 1976 as a low cost financial intermediation structure in the rural areas to ensure sufficient flow of institutional credit for agriculture and other rural sectors. RRBs are jointly owned by GoI, the concerned State Government and Sponsor Banks, the issued capital of a RRB is shared by the owners in the proportion of 50%, 15% and 35% respectively. The number of sustainably viable RRBs (i.e. RRBs making net current profit and having no accumulated losses) has increased to 60 as on March 31, 2012 as compared to 58 as on March 31, 2011.

### C. Financial Inclusions:

Financial Inclusion (FI) is the process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players.



**Figure 1:** Banking connectivity (Sources; Reserve Bank of India)



#### *D. Financial Literacy:*

Financial Inclusion and Financial Literacy are two sides of the equation. Financial Inclusion acts from supply side by providing financial market/services that people demand whereas Financial Literacy stimulates the demand side by making people aware of what they can demand. Therefore, access to financial services and Financial Education must happen simultaneously. It must be continuous, an ongoing process and must target all sections of the population. As at the end of December 2012, 658 FLCs were functioning and 1.5 million people were educated during the period April to December 2012. Further, 35,000 rural branches of SCBs including RRBs have been mandated to undertake outdoor financial literacy activities, at least once a month, with focus on financially excluded population.

#### **Rural Market Strategies Adopted by FMCG companies**

All biggies in the industry be it HUL, Marico, Colgate-Palmolive or Britannia, are showing deep interest in rural India. However not everything is all rosy and there exist some gray areas in the rural strategies also. To increase sales, growing the consumer pie rather than sharing it, has emerged as one of the key strategies being used by FMCG majors. Offering more product variants, categories, price points, sizes and different marketing and distribution channels, all form part of a FMCG corporate's strategy.

A survey has done to study the awareness of companies in rural market among the youth and strategies adopted by them. The key issues of rural market are:

#### *Product Strategies:*

1. *Small unit and Low price packing:* By making the product available in small and low price packing, a company can attract villagers to at least try its product because larger pack sizes may be out of reach for rural consumers because of their price and usage habits. For example: Shampoos, Biscuits.

2. *New Product Design:* A company can opt for new product designs or modified designs that are specially meant for rural areas keeping their lifestyles in view.

3. *Sturdy Products:* Sturdiness of a product either in terms of weight or appearance is an important fact for

rural consumers. The product meant for rural areas should be sturdy enough to stand rough handling and storage. People in rural areas like the bright flashy colours such as red, blue, green etc.

3. *Pricing Strategies:* The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product. 1. Low cost Products: 2. Simple Packaging 3. Reusable packaging: Packaging that is reusable and can be refilled attracts the attention of rural buyers. For examples: Zandu Chyawanprash is providing plastic Containers that can be reused by the consumers. 4. Application of value engineering:

3 *Distribution Strategies:* Most of the manufacturers and marketers can arrange for distribution to villages using the strategies listed below:

1. Using Own Delivery Vans:.

2. Annual Melas.

3. Paintings: A picture is worth thousand words. This way of conveying message is simple and clean. Rural people like the sight of bright colours. COKE, PEPSI and TATA traders advertise their products through paintings.

4. *Promotion Strategies:* Mass media is a powerful medium of communication and other strategies that can be followed to promote the product in rural market include:

Promoting products with Indian models and actors.

Associating them with India: MNCs must associate themselves with India by talking about India, by explicitly saying that they are Indian.

Promoting Indian Sports Team: Companies may promote Indian sports teams so that they can associate themselves with India. With this, they influence Indian mindset. ITC was promoting Indian cricket team for years; during world cup they launched a campaign "Jeeta hai jitega apna Hindustan India India India".

Talking about a Normal Indian: It is a normal tendency of an Indian to try to associate him/her with the product. If he/she can visualize himself/herself with the product, he /she become loyal to it. That is why companies like Maruti based their advertisements on a normal Indian family.

In this research paper author ask some question to 115 rural young boys and girls, after collection of data following facts:

**Table 2:** Descriptive Statistics; PARLE is most aware company followed by NIRMA, while P&G is least aware company.

Companies	N	Min	Max	Mean	Std. Deviation
ITC	115	.00	1.00	.4609	.50065
HUL	115	.00	1.00	.2609	.44103
P&G	115	.00	1.00	.2261	.42013
DABUR	115	.00	1.00	.8435	.36494
EMAMI	115	.00	1.00	.3478	.47836
BRITANIA	115	.00	1.00	.4348	.49790
NIRMA	115	.00	1.00	.8000	.40175
AMUL	115	.00	1.00	.5391	.50065
PARLE	115	.00	1.00	.9565	.20482
JYOTI LAB	115	.00	1.00	.4174	.49529
COCA CLA	115	.00	1.00	.5826	.49529
PEPSI	115	.00	1.00	.6870	.46576
Valid N (list wise)	115				

**Table 3:** Descriptive Statistics; TV is most popular way to aware about the FMCG companies after this people know about the companies by "Word Of Mouth".

Sources	N	Min	Max	Mean	Std. Deviation
WORD OF MOUTH	115	.00	1.00	.6087	.49018
POSTERS	115	.00	1.00	.5739	.49667
NEWSPAPER	115	.00	1.00	.5304	.50126
RADIO	115	.00	1.00	.5826	.49529
TV	115	.00	1.00	.6870	.46576
INTERNET	115	.00	1.00	.0957	.29540
OTHER	115	.00	1.00	.0696	.25553
Valid N (list wise)	115				

**Table 4:** Statistics; Most attractive strategies adopted by FMCG is easy availability and small convenience packets easy to used.

Values	East Available	Cash Discount	Small Packs	Value Addition
N Valid	115	115	115	115
Missing	0	0	0	0
Mean	.6348	.4522	.6609	.3130
Std. Deviation	.48360	.49989	.47549	.46576
Minimum	.00	.00	.00	.00
Maximum	1.00	1.00	1.00	1.00

**Table 5:** Pest Analysis of Telecommunication, Banking and FMCG Sector

Factors	Telecommunication	Banking	FMCG
Political	New telecommunication policies with FDI schemes	Govern by RBI	Government making norms for entrance in this sector with keeping view about the benefits of customer.
Economical	Having basic infrastructure, huge consumer potential	Huge consumer potential.	Growing demand in rural market.
Social	Positive attitude of consumer.	Positive attitude of consumer	Positive attitude of consumer
Technological	Having latest technological backup like 3G, 4G	With the help of technology banks are connected with each other even in rural areas	Technology helps to spread awareness among the customer so they having the choice to choose the right product.

## CONCLUSION

Rural market in India has a huge potential. Today's basic need of customer is availability of food, money and connectivity to the rest part of the world. FMCG, BANK and TELECOMMUNICATION are growing. Thus, looking at the challenges and the opportunities, which rural markets offer to the marketers and the manufacturers, it can be said that the future is very promising for those who can understand the dynamics of rural markets and make use of them to their best advantage. An intensive effort in order to provide the basic facilities to rural consumers is the need of the hour. Indian rural marketing system should be made much more competitive by infusing competition within the country and preventing the external system equation from interfering with the local markets in the larger interests of the nation.

**CONFLICT OF INTEREST: None**

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